

Testimony – Chuck Lippstreu, Michigan Agri-Business Association

Tuesday, February 20, 2018

Mr. Chairman and members of the committee, thank you for the opportunity to testify in support of HB 5387 and to discuss the importance of energy for Michigan agriculture. My name is Chuck Lippstreu and I am here on behalf of the Michigan Agri-Business Association, which represents more than 400 members across the agricultural supply chain.

Energy is a top-of-mind issue for many of our members. Agriculture is a unique energy user because our industry is highly seasonal. Harvest and processing efforts create a seasonal “ebb and flow” of energy needs. Like every business, agricultural processors are constantly looking for opportunities to reduce their energy use and reduce costs, while making sure the energy we need is there when we need it.

The ability of agribusinesses to choose where their energy comes from is one way to help reduce costs, by encouraging competition in the market, and that’s why we are here in support of the bill.

However, there are many issues in the energy equation. We are focused on issues of availability, consistency and energy efficiency in partnership with utilities. I am pleased to say that working together, we have made progress in all these areas.

For example, on reliability, we have seen infrastructure improvements that are helping. A shortage of natural gas pressure in Michigan’s Thumb caused a major disruption for the grain industry in 2015 – and the agribusiness community was a leading voice in calling for a new natural gas compressor servicing the area. That infrastructure improvement was completed by Consumers Energy last year, in consultation with our industry.

Energy savings is another success story. For years, agriculture had no reasonable access to the energy efficiency programs that were available for other small businesses. However, in recent years Consumers has provided more than 40 new energy savings programs specifically for agriculture, along with assigning dedicated staff to help our members understand the programs. DTE Energy also followed suit with agricultural energy efficiency programs in its service territory.

There is still progress to be made. Delivery of reliable energy service to rural areas, especially on an industrial scale, requires special attention. There is additional work to be done to expand energy savings programs and tailor them to agriculture’s unique needs. And cost will continue to be a concern.

Once again, I would like to thank the Committee for taking up the important topic of agricultural energy use. I would be happy to answer any questions you have.